

Component Units – Special Purpose Authorities

Special Purpose Authorities are legally separate entities which are discretely presented in the State's financial statements as component units in accordance with GASB Statement No. 14. The authorities' inclusion in the State's general purpose financial statements reflects the State's financial accountability for these entities. A brief description of the major authorities follows:

State Compensation Insurance Fund is a component unit created to offer insurance protection to employers at the lowest possible cost. This information is as of and for the year ended December 31, 1997.

The **California Housing Finance Agency** was created for the purpose of meeting the housing needs of persons and families of low and moderate income.

Other **Non-Major Component Units** provide certain services outside the State and provide certain private and public entities with a low-cost source of financing for activities that are deemed to be in the public interest.

The *California Infrastructure and Economic Development Bank* was created to provide financing of an interconnected system of public improvements.

The *California Alternative Energy and Advanced Transportation Financing Authority* was created to provide financing for the alternative energy and advanced transportation technologies.

The *California Pollution Control Financing Authority* was created to provide financing for pollution control facilities.

The *California Health Facilities Financing Authority* was created to provide financing for the construction, equipping, or acquiring of health facilities.

The *California Educational Facilities Authority* was created for the purpose of issuing revenue bonds to assist private educational institutions of higher learning in the expansion and construction of educational facilities.

The *California School Finance Authority* was created for the purpose of providing loans to school and community college districts to assist in obtaining equipment and facilities.

The *California Economic Development Financing Authority* was created for the purpose of issuing revenue and general obligation bonds to finance business development and public infrastructure projects.

District Agricultural Associations were created for the purpose of exhibiting all of the industries, industrial enterprises, resources, and products of the State.

The *San Joaquin River Conservancy* was created for the purpose of acquiring and managing public lands within the San Joaquin River Parkway.

The *California Urban Waterfront Area Restoration Financing Authority* was created to provide financing for coastal and inland urban waterfront restoration projects.

Component Units – Special Purpose Authorities

Combining Balance Sheet

June 30, 1998

(Amounts in thousands)

| | State Compensation Insurance Fund | California Housing Finance Agency | California Infrastructure and Economic Development Bank | California Alternative Energy and Advanced Transportation Financing Authority | California Pollution Control Financing Authority |
|--|--|--|---|---|--|
| ASSETS | | | | | |
| Cash and pooled investments..... | \$ 270,481 | \$ 253,112 | \$ 219 | \$ 181 | \$ 62,820 |
| Investments..... | 6,211,973 | 1,352,630 | — | — | — |
| Receivables (net)..... | 234,467 | 78,567 | 3 | 6 | 1,268 |
| Due from primary government..... | — | — | — | — | 1,745 |
| Prepaid items..... | — | 206 | — | — | 22 |
| Advances and loans receivable..... | — | 4,768,258 | — | — | — |
| Deferred charges..... | 16,082 | 42,503 | — | — | — |
| Fixed assets..... | 234,410 | — | — | — | 1 |
| Other assets..... | 845,908 | 25,618 | — | — | — |
| Total Assets..... | \$ 7,813,321 | \$ 6,520,894 | \$ 222 | \$ 187 | \$ 65,856 |
| LIABILITIES | | | | | |
| Accounts payable..... | \$ — | \$ 18,275 | \$ 168 | \$ — | \$ 165 |
| Due to other governments..... | — | 10,301 | — | — | — |
| Dividends payable..... | 205,102 | — | — | — | — |
| Benefits payable..... | 4,684,083 | — | — | — | — |
| Deposits..... | — | 96,034 | — | — | — |
| Contracts and notes payable..... | — | — | — | — | — |
| Compensated absences payable..... | 23,715 | 1,050 | — | — | — |
| Advance collections..... | 112,238 | 72,719 | — | — | — |
| Revenue bonds payable..... | — | 5,578,485 | — | — | — |
| Interest payable..... | — | 137,313 | — | — | — |
| Other liabilities..... | 895,082 | 1,670 | — | — | — |
| Total Liabilities..... | 5,920,220 | 5,915,847 | 168 | — | 165 |
| FUND EQUITY | | | | | |
| Contributed capital..... | — | — | — | — | — |
| Retained Earnings | | | | | |
| Reserved for regulatory requirements.... | — | 548,700 | — | — | — |
| Unreserved (Deficit)..... | 1,893,101 | 56,347 | 54 | 187 | 65,691 |
| Total Retained Earnings (Deficit)... | 1,893,101 | 605,047 | 54 | 187 | 65,691 |
| Total Fund Equity (Deficit)..... | 1,893,101 | 605,047 | 54 | 187 | 65,691 |
| Total Liabilities and Fund Equity.... | \$ 7,813,321 | \$ 6,520,894 | \$ 222 | \$ 187 | \$ 65,856 |

| Non-Major Component Units | | | | | | | |
|--|--|--|---|--|-------------------------------------|--|----------------------|
| California Health Facilities Financing Authority | California Educational Facilities Authority | California School Finance Authority | California Economic Development Financing Authority | District Agricultural Associations | San Joaquin River Conservancy | California Urban Waterfront Area Restoration Finance Authority | Total |
| \$ 17,313 | \$ 12,033 | \$ 711 | \$ 860 | \$ 31,693 | \$ 40 | \$ 157 | \$ 649,620 |
| — | 52,974 | — | — | 12,901 | — | — | 7,630,478 |
| 248 | 3,582 | 23 | — | 2,415 | — | 4 | 320,583 |
| 548 | 250 | — | 21 | — | — | — | 2,564 |
| 18 | 18 | — | — | — | — | — | 264 |
| — | — | — | — | — | — | — | 4,768,258 |
| — | 1,413 | — | — | — | — | — | 59,998 |
| 20 | — | — | — | 347,219 | — | — | 581,650 |
| — | — | — | — | 13,235 | — | — | 884,761 |
| \$ 18,147 | \$ 70,270 | \$ 734 | \$ 881 | \$ 407,463 | \$ 40 | \$ 161 | \$ 14,898,176 |
| | | | | | | | |
| \$ 119 | \$ 937 | \$ 5 | \$ 151 | \$ 4,547 | \$ — | \$ 1,023 | \$ 25,390 |
| — | — | — | — | — | — | — | 10,301 |
| — | — | — | — | — | — | — | 205,102 |
| — | — | — | — | — | — | — | 4,684,083 |
| — | — | — | 133 | 910 | — | — | 97,077 |
| — | — | — | — | 3,928 | — | — | 3,928 |
| — | 15 | — | — | 2,395 | — | — | 27,175 |
| — | — | — | — | 1,000 | — | — | 185,957 |
| — | 55,260 | — | — | 46,182 | — | — | 5,679,927 |
| — | — | — | — | 1,068 | — | — | 138,381 |
| — | 189 | — | — | 12,843 | — | — | 909,784 |
| 119 | 56,401 | 5 | 284 | 72,873 | — | 1,023 | 11,967,105 |
| | | | | | | | |
| — | — | — | — | 99 | — | — | 99 |
| — | — | — | — | — | — | — | 548,700 |
| 18,028 | 13,869 | 729 | 597 | 334,491 | 40 | (862) | 2,382,272 |
| 18,028 | 13,869 | 729 | 597 | 334,491 | 40 | (862) | 2,930,972 |
| 18,028 | 13,869 | 729 | 597 | 334,590 | 40 | (862) | 2,931,071 |
| \$ 18,147 | \$ 70,270 | \$ 734 | \$ 881 | \$ 407,463 | \$ 40 | \$ 161 | \$ 14,898,176 |

Component Units – Special Purpose Authorities

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Year End June 30, 1998

(Amounts in thousands)

| | State Compensation Insurance Fund | California Housing Finance Agency | California Infrastructure and Economic Development Bank | California Alternative Energy and Advanced Transportation Financing Authority | California Pollution Control Financing Authority |
|---|--|--|---|---|--|
| OPERATING REVENUES | | | | | |
| Service and sales..... | \$ — | \$ 14,873 | \$ — | \$ — | \$ 9,448 |
| Earned premiums (net)..... | 1,052,835 | — | — | — | — |
| Investment and interest..... | — | 344,739 | — | — | — |
| Contributions..... | — | — | — | — | — |
| Rent..... | — | — | — | — | — |
| Other..... | 45,034 | 14,022 | 347 | 9 | — |
| Total Operating Revenues..... | 1,097,869 | 373,634 | 347 | 9 | 9,448 |
| OPERATING EXPENSES | | | | | |
| Personal services..... | 50,560 | 9,620 | — | — | — |
| Services and charges..... | 18,130 | 39,132 | 293 | 58 | 6,068 |
| Depreciation..... | 7,219 | 465 | — | — | — |
| Benefit payments..... | 1,263,074 | — | — | — | — |
| Interest expense..... | — | 343,967 | — | — | — |
| Amortization of deferred charges..... | 145,847 | 1,313 | — | — | — |
| Total Operating Expenses..... | 1,484,830 | 394,497 | 293 | 58 | 6,068 |
| Operating Income (Loss)..... | (386,961) | (20,863) | 54 | (49) | 3,380 |
| NONOPERATING | | | | | |
| Grants received..... | — | 71,253 | — | — | — |
| Grants provided..... | — | (71,253) | — | — | — |
| Interest revenue..... | 620,557 | 106,220 | — | — | — |
| Interest expense and fiscal charges..... | — | — | — | — | — |
| Dividends paid..... | (73,012) | — | — | — | — |
| Other..... | — | — | — | — | — |
| Total Nonoperating | 547,545 | 106,220 | — | — | — |
| Net Income (Loss)..... | 160,584 | 85,357 | 54 | (49) | 3,380 |
| Retained Earnings, July 1, 1997..... | 1,732,517 | 519,690 | — | 236 | 62,311 |
| Retained Earnings (Deficit), June 30, 1998 | \$ 1,893,101 | \$ 605,047 | \$ 54 | \$ 187 | \$ 65,691 |

| Non-Major Component Units | | | | | | | |
|--|--|--|---|--|-------------------------------------|--|--------------|
| California Health Facilities Financing Authority | California Educational Facilities Authority | California School Finance Authority | California Economic Development Financing Authority | District Agricultural Associations | San Joaquin River Conservancy | California Urban Waterfront Area Restoration Finance Authority | Total |
| \$ 4,148 | \$ 636 | \$ — | \$ — | \$ 126,003 | \$ — | \$ — | \$ 155,108 |
| — | — | — | — | — | — | — | 1,052,835 |
| — | — | — | — | 1,556 | — | — | 346,295 |
| — | — | — | — | 2,636 | — | — | 2,636 |
| — | — | — | — | 20,164 | — | — | 20,164 |
| — | — | 44 | — | — | — | 9 | 59,465 |
| 4,148 | 636 | 44 | — | 150,359 | — | 9 | 1,636,503 |
| — | 113 | — | — | — | — | — | 60,293 |
| 1,408 | 355 | 188 | — | 147,444 | 55 | 1 | 213,132 |
| — | — | — | — | 4,328 | — | — | 12,012 |
| — | — | — | — | — | — | — | 1,263,074 |
| — | 2,062 | — | — | — | — | — | 346,029 |
| — | — | — | — | — | — | — | 147,160 |
| 1,408 | 2,530 | 188 | — | 151,772 | 55 | 1 | 2,041,700 |
| 2,740 | (1,894) | (144) | — | (1,413) | (55) | 8 | (405,197) |
| — | — | — | — | — | — | — | 71,253 |
| — | — | — | — | — | — | — | (71,253) |
| — | 2,911 | — | 728 | 666 | — | — | 731,082 |
| — | — | — | (281) | (2,988) | — | — | (3,269) |
| — | — | — | — | — | — | — | (73,012) |
| (5,987) | — | — | — | 11,067 | — | (870) | 4,210 |
| (5,987) | 2,911 | — | 447 | 8,745 | — | (870) | 659,011 |
| (3,247) | 1,017 | (144) | 447 | 7,332 | (55) | (862) | 253,814 |
| 21,275 | 12,852 | 873 | 150 | 327,159 | 95 | — | 2,677,158 |
| \$ 18,028 | \$ 13,869 | \$ 729 | \$ 597 | \$ 334,491 | \$ 40 | \$ (862) | \$ 2,930,972 |

Component Units – Special Purpose Authorities

Combining Statement of Cash Flows

Year Ended June 30, 1998

(Amounts in thousands)

| | State Compensation Insurance Fund | California Housing Finance Agency | California Infrastructure and Economic Development Bank | California Alternative Energy and Advanced Transportation Financing Authority | California Pollution Control Financing Authority |
|---|--|--|---|---|--|
| CASH FLOWS FROM | | | | | |
| OPERATING ACTIVITIES | | | | | |
| Operating income (loss)..... | \$ (386,961) | \$ (20,863) | \$ 54 | \$ (49) | \$ 3,380 |
| ADJUSTMENTS TO RECONCILE | | | | | |
| OPERATING INCOME (LOSS) | | | | | |
| TO NET CASH PROVIDED | | | | | |
| BY OPERATIONS | | | | | |
| Interest expense on operating debt..... | — | 343,967 | — | — | — |
| Depreciation..... | 7,219 | 465 | — | — | — |
| Accretion of capital appreciation bonds.... | — | 9,956 | — | — | — |
| Provisions and allowances..... | 10,820 | 4,043 | — | — | — |
| Accrual of deferred charges..... | (136,954) | (9,323) | — | — | — |
| Amortization of deferred credits..... | — | (4,600) | — | — | — |
| Amortization of discounts..... | — | 6,136 | — | — | — |
| Amortization of | | | | | |
| deferred charges..... | 145,847 | — | — | — | — |
| Purchase of program loans..... | — | (774,636) | — | — | — |
| Collection of principal | | | | | |
| from program loans..... | — | 364,385 | — | — | — |
| Other..... | (9,637) | — | — | — | — |
| Change in assets and liabilities | | | | | |
| Receivables..... | (6,036) | (12,347) | (3) | (6) | (1,180) |
| Due from other funds..... | — | — | — | — | — |
| Due from primary government..... | — | — | — | — | 962 |
| Prepaid items..... | — | (58) | — | — | — |
| Other assets..... | (116,273) | (3,642) | — | — | — |
| Accounts payable..... | — | 257 | 168 | — | 16 |
| Due to other governments..... | — | 3 | — | — | — |
| Benefits payable..... | 77,940 | — | — | — | — |
| Deposits..... | — | 8,543 | — | — | — |
| Compensated absences payable | 1,416 | (21) | — | — | — |
| Advance collections..... | (22,570) | 1,770 | — | — | — |
| Other liabilities..... | 102,471 | (1,258) | — | — | — |
| Total Adjustments..... | 54,243 | (66,360) | 165 | (6) | (202) |
| Net Cash Provided by (Used In) | | | | | |
| Operating Activities..... | (332,718) | (87,223) | 219 | (55) | 3,178 |

| Non-Major Component Units | | | | | | | |
|--|--|--|---|--|-------------------------------------|--|--------------|
| California Health Facilities Financing Authority | California Educational Facilities Authority | California School Finance Authority | California Economic Development Financing Authority | District Agricultural Associations | San Joaquin River Conservancy | California Urban Waterfront Area Restoration Finance Authority | Total |
| \$ 2,740 | \$ (1,894) | \$ (144) | \$ — | \$ (1,413) | \$ (55) | \$ 8 | \$ (405,197) |
| — | — | — | — | — | — | — | 343,967 |
| — | — | — | — | 4,328 | — | — | 12,012 |
| — | — | — | — | — | — | — | 9,956 |
| — | — | — | — | — | — | — | 14,863 |
| — | (704) | — | — | 3,928 | — | — | (143,053) |
| — | — | — | — | — | — | — | (4,600) |
| — | — | — | — | — | — | — | 6,136 |
| — | 133 | — | — | — | — | — | 145,980 |
| — | — | — | — | — | — | — | (774,636) |
| — | — | — | — | — | — | — | 364,385 |
| (5,987) | — | — | — | 2,981 | — | — | (12,643) |
| (131) | (2,325) | 3 | — | 412 | — | (4) | (21,617) |
| — | — | — | — | 443 | — | 3 | 446 |
| 41 | 66 | — | (8) | — | — | — | 1,061 |
| (18) | 41 | — | — | — | — | — | (35) |
| — | — | — | — | 1,053 | — | — | (118,862) |
| 75 | 189 | (1) | 37 | 1,198 | (13) | — | 1,926 |
| — | — | — | — | — | — | — | 3 |
| — | — | — | — | — | — | — | 77,940 |
| — | — | — | (240) | 353 | — | — | 8,656 |
| — | 1 | — | — | 20 | — | — | 1,416 |
| — | — | — | — | (80) | (23) | — | (20,903) |
| — | 189 | — | — | (1,960) | — | — | 99,442 |
| (6,020) | (2,410) | 2 | (211) | 12,676 | (36) | (1) | (8,160) |
| (3,280) | (4,304) | (142) | (211) | 11,263 | (91) | 7 | (413,357) |

(Continued)

Component Units – Special Purpose Authorities

Combining Statement of Cash Flows

Year Ended June 30, 1998

(Amounts in thousands)

| | State Compensation Insurance Fund | California Housing Finance Agency | California Infrastructure and Economic Development Bank | California Alternative Energy and Advanced Transportation Financing Authority | California Pollution Control Financing Authority |
|---|--|--|---|---|--|
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Dividends paid..... | (83,991) | — | — | — | — |
| Proceeds from revenue bonds..... | — | 1,148,159 | — | — | — |
| Retirement of revenue bonds..... | — | (670,442) | — | — | — |
| Interest paid on operating debt..... | — | (337,224) | — | — | — |
| Grants provided..... | — | (71,253) | — | — | — |
| Net Cash Provided by (Used In) Noncapital Financing Activities..... | (83,991) | 69,240 | — | — | — |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of fixed assets..... | (10,537) | — | — | — | (1) |
| Proceeds from sale of fixed assets..... | 2,161 | — | — | — | — |
| Proceeds from revenue bonds..... | — | — | — | — | — |
| Retirement of revenue bonds..... | — | — | — | — | — |
| Interest paid..... | — | — | — | — | — |
| Grants received..... | — | 71,253 | — | — | — |
| Operating transfers in..... | — | — | — | — | — |
| Net Cash Provided by (Used In) Capital and Related Financing Activities..... | (8,376) | 71,253 | — | — | (1) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Purchase of investments..... | (322,972) | (321,826) | — | — | — |
| Proceeds from maturity and sale of investments.... | — | 180,738 | — | — | — |
| Interest on investments..... | 620,557 | 95,381 | — | — | — |
| Net Cash Provided by (Used In) Investing Activities..... | 297,585 | (45,707) | — | — | — |
| Net Increase (Decrease) in | | | | | |
| Cash and Pooled Investments..... | (127,500) | 7,563 | 219 | (55) | 3,177 |
| Cash and Pooled Investments at July 1, 1997..... | 397,981 | 245,549 | — | 236 | 59,643 |
| Cash and Pooled Investments at June 30, 1998.... | \$ 270,481 | \$ 253,112 | \$ 219 | \$ 181 | \$ 62,820 |

| Non-Major Component Units | | | | | | | |
|--|--|--|---|--|-------------------------------------|--|-------------|
| California Health Facilities Financing Authority | California Educational Facilities Authority | California School Finance Authority | California Economic Development Financing Authority | District Agricultural Associations | San Joaquin River Conservancy | California Urban Waterfront Area Restoration Finance Authority | Total |
| — | — | — | — | — | — | — | (83,991) |
| — | — | — | — | — | — | — | 1,148,159 |
| — | — | — | — | — | — | — | (670,442) |
| — | — | — | — | — | — | — | (337,224) |
| — | — | — | — | — | — | — | (71,253) |
| — | — | — | — | — | — | — | (14,751) |
| — | — | — | — | (9,482) | — | — | (20,020) |
| 14 | — | — | — | — | — | — | 2,175 |
| — | 25,000 | — | — | — | — | — | 25,000 |
| — | — | — | — | (2,261) | — | — | (2,261) |
| — | — | — | (281) | (3,151) | — | — | (3,432) |
| — | — | — | — | — | — | — | 71,253 |
| — | — | — | — | 8,086 | — | — | 8,086 |
| 14 | 25,000 | — | (281) | (6,808) | — | — | 80,801 |
| — | (23,203) | — | — | (2,062) | — | — | (670,063) |
| — | — | — | — | — | — | — | 180,738 |
| — | 2,911 | — | 728 | 666 | — | — | 720,243 |
| — | (20,292) | — | 728 | (1,396) | — | — | 230,918 |
| (3,266) | 404 | (142) | 236 | 3,059 | (91) | 7 | (116,389) |
| 20,579 | 11,629 | 853 | 624 | 28,634 | 131 | 150 | 766,009 |
| \$ 17,313 | \$ 12,033 | \$ 711 | \$ 860 | \$ 31,693 | \$ 40 | \$ 157 | \$ 649,620 |
| | | | | | | | (Concluded) |

